

Union Calendar No. 69

108TH CONGRESS
1ST SESSION

H. R. 658

[Report No. 108–63, Part I]

To provide for the protection of investors, increase confidence in the capital markets system, and fully implement the Sarbanes-Oxley Act of 2002 by streamlining the hiring process for certain employment positions in the Securities and Exchange Commission.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 2003

Mr. BAKER (for himself and Mr. OXLEY) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

APRIL 8, 2003

Reported from the Committee on Financial Services with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

APRIL 8, 2003

Referral to the Committee on Government Reform extended for a period ending not later than June 2, 2003

JUNE 2, 2003

Committee on Government Reform discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To provide for the protection of investors, increase confidence in the capital markets system, and fully implement the

Sarbanes-Oxley Act of 2002 by streamlining the hiring process for certain employment positions in the Securities and Exchange Commission.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Accountant, Compli-
 5 ance, and Enforcement Staffing Act of 2003”.

6 **SEC. 2. EXCEPTED SERVICE OF ACCOUNTANTS, ECONO-**
 7 **MISTS, AND EXAMINERS.**

8 Section 4(b) of the Securities Exchange Act of 1934
 9 (15 U.S.C. 78d(b)) is amended—

10 (1) by redesignating paragraph (3) as para-
 11 graph (4); and

12 (2) by inserting after paragraph (2) the fol-
 13 lowing new paragraph:

14 “(3) ACCOUNTANTS, ECONOMISTS, AND COMPLI-
 15 ANCE EXAMINERS EXCEPTED FROM COMPETITIVE
 16 SERVICE.—All accountant, economist, and securities
 17 compliance examiner positions in the Securities and
 18 Exchange Commission shall be excepted from the
 19 competitive service, as defined in section 2102 of
 20 title 5, United States Code. An employee who is in
 21 the competitive service at the time his or her posi-
 22 tion becomes excepted from the competitive service
 23 under this paragraph shall be considered as con-

1 ~~tinuing in the competitive service as long as he or~~
 2 ~~she continues to occupy such position.”.~~

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Accountant, Compliance,*
 5 *and Enforcement Staffing Act of 2003”.*

6 **SEC. 2. ACCOUNTANTS, ECONOMISTS, AND EXAMINERS AP-**
 7 **POINTMENTS.**

8 *Section 4(b) of the Securities Exchange Act of 1934*
 9 *(15 U.S.C. 78d(b)) is amended—*

10 (1) *by redesignating paragraph (3) as para-*
 11 *graph (4); and*

12 (2) *by inserting after paragraph (2) the fol-*
 13 *lowing new paragraph:*

14 “(3) *ACCOUNTANTS, ECONOMISTS, AND COMPLI-*
 15 *ANCE EXAMINERS APPOINTMENTS.—*

16 “(A) *APPOINTMENT AUTHORITY.—*

17 “(i) *This subparagraph applies with*
 18 *respect to any position of accountant, econo-*
 19 *mist, and securities compliance examiner at*
 20 *the Commission that is in the competitive*
 21 *service.*

22 “(ii) *The Commission may appoint*
 23 *candidates to any position described in*
 24 *clause (i) in accordance with the statutes,*
 25 *rules, and regulations governing appoint-*

1 *ments in the excepted service, and notwith-*
2 *standing any statutes, rules, and regula-*
3 *tions governing appointments in the com-*
4 *petitive service.*

5 *“(iii) The appointment of a candidate*
6 *to a position under authority of this sub-*
7 *paragraph shall not be considered to cause*
8 *such position to be converted from the com-*
9 *petitive service to the excepted service.*

10 *“(iv) For purposes of this subpara-*
11 *graph, the terms ‘competitive service’ and*
12 *‘excepted service’ have the respective mean-*
13 *ings given them under chapter 21 of title 5,*
14 *United States Code.*

15 *“(B) REPORTS.—No later than 90 days*
16 *after the end of fiscal year 2003 (for fiscal year*
17 *2003) and 90 days after the end of fiscal year*
18 *2005 (for fiscal years 2004 and 2005), the Com-*
19 *mission shall submit a report with respect to its*
20 *exercise of the authority granted by subpara-*
21 *graph (A) during such fiscal years to the Com-*
22 *mittee on Financial Services of the House of*
23 *Representatives and the Committee on Banking,*
24 *Housing, and Urban Affairs of the Senate. Such*
25 *reports shall describe the changes in the hiring*

1 *process authorized by such subparagraph, includ-*
2 *ing relevant information related to—*

3 *“(i) the quality of candidates;*

4 *“(ii) the procedures used by the Com-*
5 *mission to select candidates through the*
6 *streamlined hiring process;*

7 *“(iii) the numbers, types, and grades of*
8 *employees hired under the authority;*

9 *“(iv) any benefits or shortcomings as-*
10 *sociated with the use of the authority;*

11 *“(v) the effect of the exercise of the au-*
12 *thority on the hiring of veterans and other*
13 *demographic groups; and*

14 *“(vi) the way in which managers were*
15 *trained in the administration of the stream-*
16 *lined hiring system.”.*

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JUNE 2, 2003

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